

ECONOMIC CRISES EQUALS WORK STRESS:

HOW ORGANIZATIONS CAN COMBAT EMPLOYEE STRESS AT WORK



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If the current economic climate has not caused you to feel stress, you might want to check your pulse. Dubbed an “economic crisis,” federal entities in the United States are passing life raft-like legislation and state budget talks resemble a fire sale more so than a negotiation—everything that can go, must. Unfortunately, unlike most crises, there is very little the average citizen can do to solve the problem. In the U.S. and elsewhere, the average citizen is concerned, watching and waiting for signs of recovery.

Organizations have the same stresses that individuals do—namely, staying afloat until the economy rebounds. Some organizational leaders are frantic, facing the reality that further cost-saving actions are going to negatively affect productivity. Managers are scrambling to meet deadlines and quotas with fewer resources. Salespeople are doing what they can to attract prospective buyers and waiting with baited breath until that dotted line is signed.

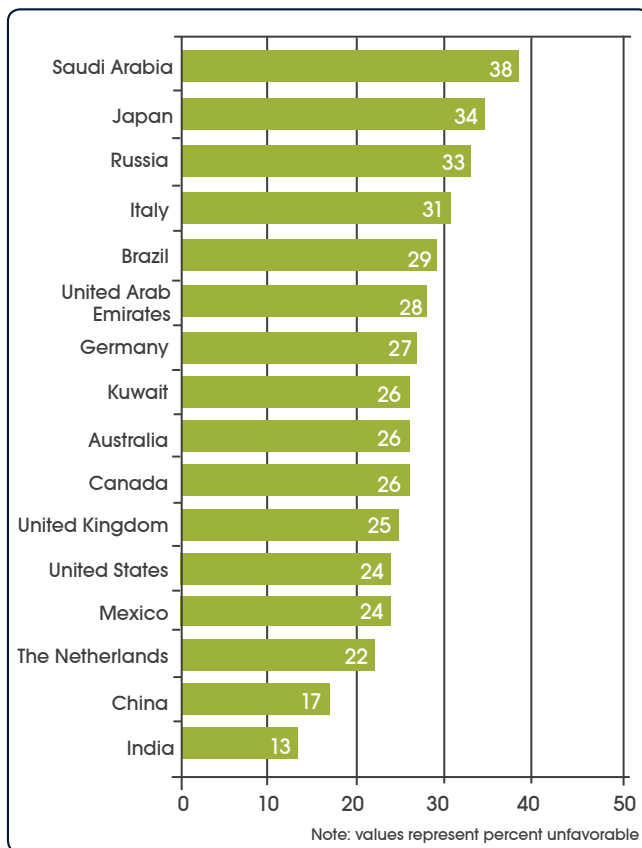
The stress at work is mounting, and unfortunately, the current situation is building on what were already stressful work practices. In the late 1990s, data suggest that working-aged couples’ average annual work hours increased by 700 hours over the prior decade (Bluestone & Rose, 1998; as cited in Sauter et al. 2002), after the dot-com bust of 2001, most industries’ employees’ work hours rose steadily (Bureau of Labor Statistics, 2008).

The costs of stress compound organizations’ challenges in their fight to control operational costs. Unfortunately, stress causes a multitude of health problems, including hypertension and high cholesterol, over-eating and obesity, depression and anxiety, all of which can hinder a highly competitive business model. Productivity aside, healthcare is expensive; seven to nine percent of employees’ health costs are accounted for by job stress (Manning, Jackson, & Fusilier, 1996). In the U.S., researchers estimate that organizations lose about 550 million workdays per year due to absenteeism, with an estimated 54 percent of these absences, or 297 million sick and vacation days, to be stress-related (Lou Harris poll for Metropolitan Life, 1985 as cited in Elkin & Rosch, 1990). In extreme cases, employees suffer from occupational stress, or ‘neurotic reactions to stress,’ for which the median number of days taken off work is 23 per illness—more than four times the level of other nonfatal occupational illnesses and injuries (Bureau of Labor Statistics, 1999). Depression alone has been blamed for an estimated \$44 billion in U.S. productivity losses per year (Forster, 2008). These health problems raise healthcare premiums—one more cost organizations don’t need. It is up to organizational leaders to proactively avoid stress-inducers where possible.

BASELINE LEVELS OF STRESS

The Kenexa® High Performance Institute utilized the WorkTrends™ data to explore which employees are stressed at work. The results indicate that globally, more than a quarter (26 percent) of surveyed employees feel that their work stress was unreasonable and varied by country (see Figure 1).

FIGURE 1: UNREASONABLE LEVELS OF STRESS



THE DRIVERS OF WORK STRESS

Across countries, job families and industries, the elements of the job most related to work stress are:

- *Balance.* Overwhelmingly, employees relate stress to work/life balance and the organization's support for, and achievement of, career goals while having balance.
- *Equity.* Fairness and equity relate to stress, in terms of both pay and the division of work among team members.
- *Getting the job done.* Employees attribute stress to having clarity as to how they contributed to organizational goals, as well as having enough team members to get the job done. Understandably, excelling on this job was also related to less stress.
- *Conflict management.* Lingering problems cause stress, so employees noted that quick problem resolution relates to their stress level, as was a manager who resolved conflicts and managed employees with respect and dignity.

The drivers of work stress are clear. Employees need to meet the needs of themselves and their families and still work, which can be difficult when coupled with economically motivated demands from both work and home. Equity is also a central

theme, which is especially relevant when operating through a downturn; as headcount is reduced, the surviving workers feel the pinch.

Accomplishing goals and getting work done helps employees feel less stressed. It is critical to actively manage the reassignment of jobs, solve workflow and workforce problems and fill service/production gaps, especially those that clients and customers would most readily witness. Excelling at the job and understanding the cascading of, and personalizing organizational goals, results in an employee's sense of contribution—a finding that substantiates the fact that stress is also related to feeling that you are good at what you do. Understanding work goal alignment may also contribute to an employee's ability to prioritize work, supporting the worker with rationale as he/she de-prioritize projects.

Lastly, but certainly not least, employees associate respectful managers with work stress, or the lack thereof. Feeling as though you might be berated at any moment would certainly contribute to work stress. Analogous to parenting, organizational leaders should expect managers to demonstrate respectful behavior by tempering a stressful or angry response when speaking with workers. This approach will vastly improve a manager's ability to solve problems quickly; the faster the solution, the less time employees spend worrying.

DATA-DRIVEN STRESS-REDUCTION STRATEGIES

Organizations fall on a continuum with regard to how they help their employees manage stress, from offering workout facilities, to Employee Assistance Programs (EAP), to having a more laissez-faire approach. However, organizations can do far more to alleviate work stress by eliminating some of the primary causes. Organizational leaders need to ask themselves, "What are we doing to minimize employee stress at work?" Below are four data-driven recommendations that leaders can use to help reduce employee stress.

Face the Issue of Work/Life Balance

The latest rhetoric coming out of leadership and HR circles invokes the spirit of "meaning," that finding meaning at work and home allows for a blurring of the home/work boundary and makes "balance" obsolete. This may be possible if one works at home; works as a contractor or as a self-employed consultant, but for the rank-and-file employees, finding meaning at work can be a lofty goal. Even if work is personally motivating and meaningful, there still needs to be time dedicated to personal needs.

Providing an environment where balance is possible in times of crisis is not easy. The idea of supporting balance might be troublesome for members of management who espouse a "work first" value. Does "balance" mean lower

productivity? Initial research indicates that the answer is “no,” at least for individuals—work/life conflict negatively affects an individual’s performance, particularly if the employee is highly conscientious, but perceived organizational support moderates this relationship (Witt & Carlson, 2006). In other words, organizational support partially, or perhaps fully, negates losses in an employee’s performance due to an imbalance of work and life.

In addition, losses in productivity due to flexible schedules and shorter work hours may be counterbalanced by the productivity gains of a healthier workforce; more well-rested, energized and focused, more positive and ambitious, and fewer sick days. There might also be increased productivity through lower turnover. WorkTrends data demonstrate that there is a high, positive, significant correlation between employee engagement and organizational support for work/life balance.

Work Schedule Flexibility is a Critical Component

However, balance might not apply for self-employed consultants because, although they might work 60 hours a week, they can also tend to home activities during the work day, if necessary. Flexibility can be enhanced on the job in several ways:

- *Cross-train employees.* Not only is it a smart strategy for knowledge retention and management, but also back-up employees can fill in for their co-workers who need to be away from the office.
- *Establish a system of “back up” during time off.* Allow for time-off, but have employees assign backup whenever they have time off so that others can field calls and answer questions that need immediate attention.
- *Equip employees to work at home when possible.* According to the WorkTrends data, between 2007 and 2008, the number of employees in the U.S. working at least one day a week from home or a remote location doubled from 5 percent to 10 percent. The truth is, many jobs don’t require much of a physical presence. Although sometimes employee absence makes managers feel a little uneasy, today’s communication vehicles significantly help to resolve this issue.
- *Indoctrinate a “project not time” philosophy into the culture.* Before confronting an employee about not being in the office at 8:00 a.m. or leaving right at 5:00 p.m., ask managers to ask themselves if projects have been late or if they have been unresponsive to requests. If so, a coaching opportunity has presented itself. If not, perhaps the employee’s schedule is not a problem. If organizational leaders espouse a “project first” policy, then managers will follow. Not only does this make explicit productivity expectations, but employees have additional flexibility if needed.

Prioritize at the Top and Resource Workgroups Accordingly

Everyone is doing more with less, but there is a tipping point at which employees will start making mistakes. The phenomenon is akin to the quality/quantity trade-off in production. If production speeds up, quality decreases and waste increases. The axiom is true in service industries and operational centers as well. People can only do so much with less. If the organization identifies the breaking point, it can design workflow just within that parameter and achieve optimal efficiency.

Layoffs are commonplace these days, and if organizational leaders haven’t re-prioritized projects and communicated the re-alignment to everyone from management to front-line workers, they are leaving the dirty work to supervisors and employees are caught off guard. In truth, they have been set up to fail. Explicitly or implicitly, leaders realize that laying off 30 percent of their workforce will influence productivity, and usually they align layoffs with the groups less in demand. However, when times are dire and cuts are deep, busy departments are downsized. Coping with the loss of resources should start at the top with a renewed effort in prioritization, making sure that managers are well equipped to delegate and distribute workload fairly, and solve the problems that their team faces immediately.

Equip Managers to Manage Through a Downturn

Managing employees when the organization is doing well and bonuses are plenty is entirely different than managing through difficult times; listening to employee concerns about pay cuts, showing empathy for long hours, and in general, quelling the unspoken fears about the future. The skill set managers need is different in a downturn. Do managers know how to switch from a driving-for-production boss to an empathetic and understanding manager when production is down in the wake of layoffs? Are their prioritization skills stellar? Are they a calming force, or has it historically been their role to stir the pot? Are they good listeners, or do they view employees who voice concerns as complaining?

Managers are subject to the same human tendencies to turn inward, ensuring their future is secure first, but in an economic crisis, managers need to first care for their team. The way managers handle their employees’ fears and concerns can make the difference in maintaining a stable, healthy workforce through difficult times. Managers can give employees a sense of security by translating renewed organizational goals into individual projects and timelines. Being liberal with recognition doesn’t hurt either; even though all team members might be pulling equally heavy loads, each employee can be recognized for the extra effort they are exerting while working through tough economic times. Most importantly, although

strain may be wearing empathy thin and cause tempers to flare, managers above all must keep calm in the face of chaos. They are the face of leadership to many workers, and if they are emotional, employees will have a tough time focusing on work and being hopeful for the future.

Reinforce the Fairness of Pay

It is no surprise that the issue of pay contributes to work stress; after all, that is why the grand majority of people come to work. Tough economic times make money even tighter. While employees are trying to save for the possibility of layoffs, organizations are reducing compensation. However, it is not the adequacy of pay that plays a role, it is the concept of fairness—that the employee is receiving just compensation for the work that they do. To that end, organizations can take advantage of this sentiment during restructuring by revisiting job bands and pay ranges, then benchmarking pay against competitive standards and cost of living changes. Organizations may find that there are employees who are overpaid and underpaid, but regardless, the economy provides rationale for adjusting employee pay in a logical and fair way. Once the feasibility study is complete and action is decided, publicizing the effort and the pay criteria can help to control headcount costs while instilling the perception of fairness in the workforce.

SUMMARY

Organizations can support employees' attempts to manage their stress in many ways, such as providing workout facilities or signing up with an insurance provider that subsidizes health club membership, and strengthening or publicizing the EAP. For organizations with a proactive approach to avoiding undue employee stress, the actions outlined in this article can immediately be pursued. Taking action now might be a competitive edge through an engaged and productive workforce, ready to ramp up when the economy rebounds. ■

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Kenexa provides business solutions for human resources. We help global organizations multiply business success by identifying the best individuals for every job and fostering optimal work environments for every organization. For more than 20 years, Kenexa has studied human behavior and team dynamics in the workplace, and has developed the software solutions, business processes and expert consulting that help organizations impact positive business outcomes through HR. Kenexa is the only company that offers a comprehensive suite of unified products and services that support the entire employee lifecycle from pre-hire to exit.

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